

1 AN ACT concerning municipalities.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Illinois Municipal Code is amended by
5 changing Sections 8-11-1.1, 8-11-1.2, 8-11-1.3, 8-11-1.4, and
6 8-11-1.5 as follows:

7 (65 ILCS 5/8-11-1.1) (from Ch. 24, par. 8-11-1.1)

8 Sec. 8-11-1.1. Non-home rule municipalities; imposition
9 of taxes.

10 (a) The corporate authorities of a non-home rule
11 municipality may, upon approval of the electors of the
12 municipality pursuant to subsection (b) of this Section,
13 impose by ordinance or resolution the ~~1/2--of--1%~~ tax
14 authorized in Sections 8-11-1.3, 8-11-1.4 and 8-11-1.5 of
15 this Act.

16 (b) The corporate authorities of the municipality may by
17 ordinance or resolution call for the submission to the
18 electors of the municipality the question of whether the
19 municipality shall impose such tax. Such question shall be
20 certified by the municipal clerk to the election authority in
21 accordance with Section 28-5 of the Election Code and shall
22 be in a form in accordance with Section 16-7 of the Election
23 Code.

24 If a majority of the electors in the municipality voting
25 upon the question vote in the affirmative, such tax shall be
26 imposed.

27 An ordinance or resolution imposing the tax of not more
28 than 1/2 of 1% tax hereunder or discontinuing the same shall
29 be adopted and a certified copy thereof, together with a
30 certification that the ordinance or resolution received
31 referendum approval in the case of the imposition of such

1 tax, filed with the Department of Revenue, on or before the
2 first day of June, whereupon the Department shall proceed to
3 administer and enforce the additional tax or to discontinue
4 the tax, as the case may be, as of the first day of September
5 next following such adoption and filing. Beginning January 1,
6 1992, an ordinance or resolution imposing or discontinuing
7 the tax hereunder shall be adopted and a certified copy
8 thereof filed with the Department on or before the first day
9 of July, whereupon the Department shall proceed to administer
10 and enforce this Section as of the first day of October next
11 following such adoption and filing. Beginning January 1,
12 1993, an ordinance or resolution imposing or discontinuing
13 the tax hereunder shall be adopted and a certified copy
14 thereof filed with the Department on or before the first day
15 of October, whereupon the Department shall proceed to
16 administer and enforce this Section as of the first day of
17 January next following such adoption and filing. Beginning
18 October 1, 2001, an ordinance or resolution imposing or
19 discontinuing the tax under this Section or effecting a
20 change in the rate of tax must either (i) be adopted and a
21 certified copy of the ordinance or resolution filed with the
22 Department on or before the first day of April, whereupon the
23 Department shall proceed to administer and enforce this
24 Section as of the first day of July next following the
25 adoption and filing; or (ii) be adopted and a certified copy
26 of the ordinance or resolution filed with the Department on
27 or before the first day of October, whereupon the Department
28 shall proceed to administer and enforce this Section as of
29 the first day of January next following the adoption and
30 filing. A non-home rule municipality may file a certified
31 copy of an ordinance or resolution, with a certification that
32 the ordinance or resolution received referendum approval in
33 the case of the imposition of the tax, with the Department of
34 Revenue, as required under this Section, only after October

1 2, 2000.

2 The tax authorized by this Section may not be more than
3 1/2 of 1% and may be imposed only in 1/4% increments.

4 (Source: P.A. 91-51, eff. 6-30-99; 91-649, eff. 1-1-00.)

5 (65 ILCS 5/8-11-1.2) (from Ch. 24, par. 8-11-1.2)

6 Sec. 8-11-1.2. Definition. As used in Sections
7 8-11-1.3, 8-11-1.4 and 8-11-1.5 of this Act:

8 (a) "Public infrastructure" means municipal roads and
9 streets, access roads, bridges, and sidewalks; waste disposal
10 systems; and water and sewer line extensions, water
11 distribution and purification facilities, storm water
12 drainage and retention facilities, and sewage treatment
13 facilities.

14 (b) "Property tax relief" means the action of a
15 municipality to reduce the levy for real estate taxes or
16 avoid an increase in the levy for real estate taxes that
17 would otherwise have been required.

18 (Source: P.A. 91-51, eff. 6-30-99.)

19 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

20 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'
21 Occupation Tax Act. The corporate authorities of a non-home
22 rule municipality may impose a tax upon all persons engaged
23 in the business of selling tangible personal property, other
24 than on an item of tangible personal property which is titled
25 and registered by an agency of this State's Government, at
26 retail in the municipality ~~at--the--rate--of--1/2--of--1%~~ for
27 expenditure on public infrastructure or for property tax
28 relief or both as defined in Section 8-11-1.2 if approved by
29 referendum as provided in Section 8-11-1.1, of the gross
30 receipts from such sales made in the course of such business.
31 The tax imposed may not be more than 1/2 of 1% and may be
32 imposed only in 1/4% increments. The tax may not be imposed

1 on the sale of food for human consumption that is to be
2 consumed off the premises where it is sold (other than
3 alcoholic beverages, soft drinks, and food that has been
4 prepared for immediate consumption) and prescription and
5 nonprescription medicines, drugs, medical appliances, and
6 insulin, urine testing materials, syringes, and needles used
7 by diabetics. The tax imposed by a municipality pursuant to
8 this Section and all civil penalties that may be assessed as
9 an incident thereof shall be collected and enforced by the
10 State Department of Revenue. The certificate of registration
11 which is issued by the Department to a retailer under the
12 Retailers' Occupation Tax Act shall permit such retailer to
13 engage in a business which is taxable under any ordinance or
14 resolution enacted pursuant to this Section without
15 registering separately with the Department under such
16 ordinance or resolution or under this Section. The
17 Department shall have full power to administer and enforce
18 this Section; to collect all taxes and penalties due
19 hereunder; to dispose of taxes and penalties so collected in
20 the manner hereinafter provided, and to determine all rights
21 to credit memoranda, arising on account of the erroneous
22 payment of tax or penalty hereunder. In the administration
23 of, and compliance with, this Section, the Department and
24 persons who are subject to this Section shall have the same
25 rights, remedies, privileges, immunities, powers and duties,
26 and be subject to the same conditions, restrictions,
27 limitations, penalties and definitions of terms, and employ
28 the same modes of procedure, as are prescribed in Sections 1,
29 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to
30 all provisions therein other than the State rate of tax), 2c,
31 3 (except as to the disposition of taxes and penalties
32 collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k,
33 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12 and 13 of the
34 Retailers' Occupation Tax Act and Section 3-7 of the Uniform

1 Penalty and Interest Act as fully as if those provisions were
2 set forth herein.

3 No municipality may impose a tax under this Section
4 unless the municipality also imposes a tax at the same rate
5 under Section 8-11-1.4 of this Code.

6 Persons subject to any tax imposed pursuant to the
7 authority granted in this Section may reimburse themselves
8 for their seller's tax liability hereunder by separately
9 stating such tax as an additional charge, which charge may be
10 stated in combination, in a single amount, with State tax
11 which sellers are required to collect under the Use Tax Act,
12 pursuant to such bracket schedules as the Department may
13 prescribe.

14 Whenever the Department determines that a refund should
15 be made under this Section to a claimant instead of issuing a
16 credit memorandum, the Department shall notify the State
17 Comptroller, who shall cause the order to be drawn for the
18 amount specified, and to the person named, in such
19 notification from the Department. Such refund shall be paid
20 by the State Treasurer out of the non-home rule municipal
21 retailers' occupation tax fund.

22 The Department shall forthwith pay over to the State
23 Treasurer, ex officio, as trustee, all taxes and penalties
24 collected hereunder. On or before the 25th day of each
25 calendar month, the Department shall prepare and certify to
26 the Comptroller the disbursement of stated sums of money to
27 named municipalities, the municipalities to be those from
28 which retailers have paid taxes or penalties hereunder to the
29 Department during the second preceding calendar month. The
30 amount to be paid to each municipality shall be the amount
31 (not including credit memoranda) collected hereunder during
32 the second preceding calendar month by the Department plus an
33 amount the Department determines is necessary to offset any
34 amounts which were erroneously paid to a different taxing

1 body, and not including an amount equal to the amount of
2 refunds made during the second preceding calendar month by
3 the Department on behalf of such municipality, and not
4 including any amount which the Department determines is
5 necessary to offset any amounts which were payable to a
6 different taxing body but were erroneously paid to the
7 municipality. Within 10 days after receipt, by the
8 Comptroller, of the disbursement certification to the
9 municipalities, provided for in this Section to be given to
10 the Comptroller by the Department, the Comptroller shall
11 cause the orders to be drawn for the respective amounts in
12 accordance with the directions contained in such
13 certification.

14 For the purpose of determining the local governmental
15 unit whose tax is applicable, a retail sale, by a producer of
16 coal or other mineral mined in Illinois, is a sale at retail
17 at the place where the coal or other mineral mined in
18 Illinois is extracted from the earth. This paragraph does
19 not apply to coal or other mineral when it is delivered or
20 shipped by the seller to the purchaser at a point outside
21 Illinois so that the sale is exempt under the Federal
22 Constitution as a sale in interstate or foreign commerce.

23 Nothing in this Section shall be construed to authorize a
24 municipality to impose a tax upon the privilege of engaging
25 in any business which under the constitution of the United
26 States may not be made the subject of taxation by this State.

27 When certifying the amount of a monthly disbursement to a
28 municipality under this Section, the Department shall
29 increase or decrease such amount by an amount necessary to
30 offset any misallocation of previous disbursements. The
31 offset amount shall be the amount erroneously disbursed
32 within the previous 6 months from the time a misallocation is
33 discovered.

34 The Department of Revenue shall implement this amendatory

1 Act of the 91st General Assembly so as to collect the tax on
2 and after January 1, 2002.

3 As used in this Section, "municipal" and "municipality"
4 means a city, village or incorporated town, including an
5 incorporated town which has superseded a civil township.

6 This Section shall be known and may be cited as the
7 "Non-Home Rule Municipal Retailers' Occupation Tax Act".

8 (Source: P.A. 91-51, eff. 6-30-99; 91-649, eff. 1-1-00.)

9 (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

10 Sec. 8-11-1.4. Non-Home Rule Municipal Service
11 Occupation Tax Act. The corporate authorities of a non-home
12 rule municipality may impose a tax upon all persons engaged,
13 in such municipality, in the business of making sales of
14 service ~~at the rate of 1/2 of 1%~~ for expenditure on public
15 infrastructure or for property tax relief or both as defined
16 in Section 8-11-1.2 if approved by referendum as provided in
17 Section 8-11-1.1, of the selling price of all tangible
18 personal property transferred by such servicemen either in
19 the form of tangible personal property or in the form of real
20 estate as an incident to a sale of service. The tax imposed
21 may not be more than 1/2 of 1% and may be imposed only in
22 1/4% increments. The tax may not be imposed on the sale of
23 food for human consumption that is to be consumed off the
24 premises where it is sold (other than alcoholic beverages,
25 soft drinks, and food that has been prepared for immediate
26 consumption) and prescription and nonprescription medicines,
27 drugs, medical appliances, and insulin, urine testing
28 materials, syringes, and needles used by diabetics. The tax
29 imposed by a municipality pursuant to this Section and all
30 civil penalties that may be assessed as an incident thereof
31 shall be collected and enforced by the State Department of
32 Revenue. The certificate of registration which is issued by
33 the Department to a retailer under the Retailers' Occupation

1 Tax Act or under the Service Occupation Tax Act shall permit
2 such registrant to engage in a business which is taxable
3 under any ordinance or resolution enacted pursuant to this
4 Section without registering separately with the Department
5 under such ordinance or resolution or under this Section. The
6 Department shall have full power to administer and enforce
7 this Section; to collect all taxes and penalties due
8 hereunder; to dispose of taxes and penalties so collected in
9 the manner hereinafter provided, and to determine all rights
10 to credit memoranda arising on account of the erroneous
11 payment of tax or penalty hereunder. In the administration
12 of, and compliance with, this Section the Department and
13 persons who are subject to this Section shall have the same
14 rights, remedies, privileges, immunities, powers and duties,
15 and be subject to the same conditions, restrictions,
16 limitations, penalties and definitions of terms, and employ
17 the same modes of procedure, as are prescribed in Sections
18 1a-1, 2, 2a, 3 through 3-50 (in respect to all provisions
19 therein other than the State rate of tax), 4 (except that the
20 reference to the State shall be to the taxing municipality),
21 5, 7, 8 (except that the jurisdiction to which the tax shall
22 be a debt to the extent indicated in that Section 8 shall be
23 the taxing municipality), 9 (except as to the disposition of
24 taxes and penalties collected, and except that the returned
25 merchandise credit for this municipal tax may not be taken
26 against any State tax), 10, 11, 12 (except the reference
27 therein to Section 2b of the Retailers' Occupation Tax Act),
28 13 (except that any reference to the State shall mean the
29 taxing municipality), the first paragraph of Section 15, 16,
30 17, 18, 19 and 20 of the Service Occupation Tax Act and
31 Section 3-7 of the Uniform Penalty and Interest Act, as fully
32 as if those provisions were set forth herein.

33 No municipality may impose a tax under this Section
34 unless the municipality also imposes a tax at the same rate

1 under Section 8-11-1.3 of this Code.

2 Persons subject to any tax imposed pursuant to the
3 authority granted in this Section may reimburse themselves
4 for their serviceman's tax liability hereunder by separately
5 stating such tax as an additional charge, which charge may be
6 stated in combination, in a single amount, with State tax
7 which servicemen are authorized to collect under the Service
8 Use Tax Act, pursuant to such bracket schedules as the
9 Department may prescribe.

10 Whenever the Department determines that a refund should
11 be made under this Section to a claimant instead of issuing
12 credit memorandum, the Department shall notify the State
13 Comptroller, who shall cause the order to be drawn for the
14 amount specified, and to the person named, in such
15 notification from the Department. Such refund shall be paid
16 by the State Treasurer out of the municipal retailers'
17 occupation tax fund.

18 The Department shall forthwith pay over to the State
19 Treasurer, ex officio, as trustee, all taxes and penalties
20 collected hereunder. On or before the 25th day of each
21 calendar month, the Department shall prepare and certify to
22 the Comptroller the disbursement of stated sums of money to
23 named municipalities, the municipalities to be those from
24 which suppliers and servicemen have paid taxes or penalties
25 hereunder to the Department during the second preceding
26 calendar month. The amount to be paid to each municipality
27 shall be the amount (not including credit memoranda)
28 collected hereunder during the second preceding calendar
29 month by the Department, and not including an amount equal to
30 the amount of refunds made during the second preceding
31 calendar month by the Department on behalf of such
32 municipality. Within 10 days after receipt, by the
33 Comptroller, of the disbursement certification to the
34 municipalities and the General Revenue Fund, provided for in

1 this Section to be given to the Comptroller by the
2 Department, the Comptroller shall cause the orders to be
3 drawn for the respective amounts in accordance with the
4 directions contained in such certification.

5 The Department of Revenue shall implement this amendatory
6 Act of the 91st General Assembly so as to collect the tax on
7 and after January 1, 2002.

8 Nothing in this Section shall be construed to authorize a
9 municipality to impose a tax upon the privilege of engaging
10 in any business which under the constitution of the United
11 States may not be made the subject of taxation by this State.

12 As used in this Section, "municipal" or "municipality"
13 means or refers to a city, village or incorporated town,
14 including an incorporated town which has superseded a civil
15 township.

16 This Section shall be known and may be cited as the
17 "Non-Home Rule Municipal Service Occupation Tax Act".

18 (Source: P.A. 91-51, eff. 6-30-99; 91-649, eff. 1-1-00.)

19 (65 ILCS 5/8-11-1.5) (from Ch. 24, par. 8-11-1.5)

20 Sec. 8-11-1.5. Non-Home Rule Municipal Use Tax Act. The
21 corporate authorities of a non-home rule municipality may
22 impose a tax upon the privilege of using, in such
23 municipality, any item of tangible personal property which is
24 purchased at retail from a retailer, and which is titled or
25 registered with an agency of this State's government, at--a
26 rate--of--1/2--of--1%--and based on the selling price of such
27 tangible personal property, as "selling price" is defined in
28 the Use Tax Act, for expenditure on public infrastructure or
29 for property tax relief or both as defined in Section
30 8-11-1.2, if approved by referendum as provided in Section
31 8-11-1.1. The tax imposed may not be more than 1/2 of 1% and
32 may be imposed only in 1/4% increments. Such tax shall be
33 collected from persons whose Illinois address for title or

1 registration purposes is given as being in such municipality.
2 Such tax shall be collected by the municipality imposing such
3 tax. A non-home rule municipality may not impose and collect
4 the tax prior to January 1, 2002.

5 This Section shall be known and may be cited as the
6 "Non-Home Rule Municipal Use Tax Act".

7 (Source: P.A. 91-649, eff. 1-1-00.)